MEDIA RELEASE

AIST & WIS release "Gender Equality Wish List" for International Women's Day

Date: Sunday 8 March, 2015

On the anniversary of International Women's Day, the **Australian Institute of Superannuation Trustees (AIST) and Women in Super (WIS)** are urging the Government to consider making breakthrough changes for women and their retirement savings.

On average, women retire with around half the retirement savings as men, and currently, one in three women retire with no superannuation at all. Time out of the workforce, caring commitments, and returning to the workforce part time are key factors behind the gender savings gap.

With the current focus on the future of superannuation, AIST and WIS have compiled a Wish List to highlight policy changes that could play a major role in ensuring Australian women aren't left behind in super savings.

AIST/WIS Wish list

- **Retain the Low Income Superannuation Contribution (LISC) scheme beyond 2017**

  "The LISC provides a $500 tax rebate into the superannuation accounts of low income earners – including over two million working women. Without this measure, more than half of women will be paying more tax on their super than their take home pay," said Mr Garcia.

  "This is one of the few polices that works to narrow the gender gap in retirement savings, and it is such an important one– nearly half the female workforce benefits from the LISC, retaining this measure is vital," said Ms Wood.

- **Abolish the $450 monthly income threshold**

  "The $450 monthly threshold means that employees earning less than $450 a month are not entitled to employer paid superannuation contributions. This particularly affects women who are more likely to work part-time," said Mr Garcia.

  "Many workers in female-dominated industries such as retail, hospitality and nursing, where it may be common practice to work for several employers, are missing out on superannuation because of this threshold" said Ms Wood.

- **Pay superannuation on paid parental leave**

"The average career break is estimated at around five years – five years without super has a negative effect on the end balance but the real downside is missing out on the compound interest that could have been accrued," said Mr Garcia.

"We know that women's super balances suffer severely as a result of breaks from the workforce to have, and care for, children, by paying super on paid parental leave we have an opportunity to help narrow the gap," said Ms Wood

- **Apply a gender lens to ANY policy changes**

"To address the super gender gap properly, we need to change our way of thinking about the policies we create – beginning with looking at the impact any changes to the super industry will have on women," said Mr Garcia.

"We want to see gender analysis on all policy changes to super to look at the impact this could have on Australian women," said Ms Wood.

- **Increase the SG to 12 per cent under the original timeline**

"The average female worker (including part time workers) is earning around $44,000 per year, so even for younger women 9.5% is simply not enough super for a comfortable retirement," said Mr Garcia.

"Getting to 12 per cent is especially important for women. When you have broken work patterns, 9.5 per cent is not enough for an adequate retirement income," said Ms Wood.

Media Contact:

AIST Media & Communications Officer, Sarah Goodwin: 0401 769 296